Calendar No. 678

93d Congress, 2d Session — SENATE — Report No. 93–701

EXECUTIVE, LEGISLATIVE, AND JUDICIAL SALARIES

February 28, 1974.—Ordered to be printed

Mr. McGee, from the Committee on Post Office and Civil Service, submitted the following

REPORT

together with

SUPPLEMENTAL AND ADDITIONAL VIEWS

[To accompany S. Res. 293]

The Committee on Post Office and Civil Service, having considered the President's recommendations on Executive, Legislative, and Judicial salaries, reports an original resolution (S. Res. 293) to disapprove Congressional salary increases recommended by the President, and recommends that the resolution do pass.

PURPOSE

The purpose of this original Resolution is to modify the President's recommendations on Executive, Legislative, and Judicial salary adjustments by deleting the provision for three 7½ percent pay increases for Members of Congress to become effective in 1974, 1975, and 1976. Under this Resolution, all provisions of the President's proposal, as spelled out in the table submitted as part of his recommendations, would become effective except that Members of Congress would receive no pay increases.

Following is a chart detailing the President's recommendations as modified by the Committee's deletion. Senators, Members of the House of Representatives, and the Resident Commissioner from Puerto Rico in 1974 would, under the provisions of this Resolution, continue to receive their current salary of $42,500.

99–010—74——1

PRESIDENT'S PAY RECOMMENDATIONS AS MODIFIED

	1974	1975	1976
For offices and positions under the Executive Schedule in subchapter II of ch. 53 of title 5, United States Code, as follows:			
Positions at level I[1]	$60,000	$64,500	$64,500
Positions at level II	45,700	49,100	52,800
Positions at level III	43,000	46,200	49,700
Positions at level IV	40,900	43,900	47,200
Positions at level V	38,700	41,600	44,700
For Senators, Members of the House of Representatives, and the Resident Commissioner from Puerto Rico	42,500	42,500	42,500
For other offices and positions in the legislative branch as follows:			
Comptroller General of the United States	45,700	49,100	52,800
Deputy Comptroller General of the United States	43,000	46,200	49,700
The Public Printer, Librarian of Congress, Architect of the Capitol, and General Counsel of the General Accounting Office	40,900	43,900	47,200
The Deputy Public Printer, Deputy Librarian of Congress, and Assistant Architect of the Capitol	38,700	41,600	44,700
For Justices, Judges, and other personnel in the judicial branch, as follows:			
Chief Justice of the United States	62,500	67,200	67,200
Associate Justices of the Supreme Court	60,000	64,500	64,500
Judges, circuit court of appeals; judges, Court of Claims; judges, Court of Military Appeals; judges, Court of Customs and Patent Appeals	45,700	49,100	52,800
Judges, district courts; judges, Customs Court; judges, Tax Court of the United States; Director of the Administrative Office of the U.S. Courts	43,000	46,200	49,700
Deputy Director of the Administrative Office of the U.S. Courts; Commissioners, Court of Claims; referees in bankruptcy, full time (maximum)	38,700	41,600	44,700
Referees in bankruptcy part time (maximum)	19,400	20,800	22,400

[1] Except as provided in Public Law 93-178.

BACKGROUND

The President's recommendation, which would adjust the pay of almost 15,000 top-echelon personnel, comes to the Congress under the provisions of the Federal Salary Act of 1967 which establishes a Commission on Executive, Legislative, and Judicial salaries. The function of the Salary Commission, which serves for one fiscal year, is to study and review the compensation of the top officials of the executive branch under the Executive Schedule, Members of Congress, and justices, judges, and other personnel of the judicial branch.

Under the Act, the Commission reports its pay recommendations to the President no later than the January 1 following the close of the fiscal year in which the Commission makes its quadrennial pay review. The President then includes in his next budget message to the Congress his recommendations on the exact rates of pay which he deems advisable for the offices and positions with which the Salary Commission is concerned. The President's recommendations become effective at the beginning of the first pay period following the transmittal of his recommendations, unless Congress enacts a conflicting law or specifically disapproves all or to the extent that it disapproves a part of his recommendations.

This Resolution would have the effect of disapproving the three annual pay increases for Members of Congress effective in 1974, 1975, and 1976.

President Johnson appointed the first Salary Commission in July, 1968, and the Commission reports its recommendations to the President in December of that year. The President's pay recommendations, made as a part of his January 1969 budget message, became effective, in accordance with the provisions of law, in March 1969.

The most recent Commission was appointed by President Nixon in December, 1972, too late for the Commission to conclude a review and formulate a report to the President by January 1, 1973. The

Commission's report went to the President June 30, 1973, and the President's recommendations were sent to Congress February 4, 1974. This recommendation marks the first opportunity for a pay increase for the officials involved in five years—since March 1969. The Commission recommended a 25 percent increase this year, as stated in its report, "to restore the purchasing power" of officials in the Executive Salary Schedule and positions at the same pay level in the Legislative and Judicial Branches. Smaller percentage increases were recommended for Cabinet Secretaries and Justices of the Supreme Court. The Commission considered its 25 percent proposal to be moderate. The Commission wrote:

> In view of the obvious need for moderation implicit in the present economic environment, the Commission decided to limit its salary-increase recommendation to the rise in the cost of living. It appeared to us that simple equity required the restoration of the lost purchasing power of these public servants.

The President has assessed the Commission's report and has substantially scaled down its proposed increase. Instead of a 25 percent increase in 1974, the President has recommended three successive 7½ percent increases to become effective in 1974, 1975, and 1976, except that Cabinet Secretaries and the Chief Justice and Associate Justices of the Supreme Court would receive one 7½ percent increase effective in January, 1975. This Resolution deletes all increases recommended for Members of Congress.

STATEMENT

Under the 1962 Federal Salary Reform Act, statutory employees generally receive pay adjustments every year—in October. This is by far the largest group, some 1.3 million of them, operating on an annual payroll of $17 billion. The increases they receive are only indirectly related to the cost of living; they are based upon private enterprise salary rates for comparable positions in private industry nationally derived from annual Bureau of Labor Statistics surveys. This procedure puts into effect the "equal pay for equal work" comparability principle.

Under the 1967 Salary Act, the pay of top officials in the legislative, executive, and judicial branches is adjusted every four years on the basis of recommendations made by the quadrennial Salary Commission. This period was temporarily extended to five years as explained above.

Since the last pay adjustment in March, 1969:

The Consumer Price Index has increased by 29.3 percent.

Average hourly earnings in the non-farm economy are up 29.5 percent.

The pay of executives in private enterprise has increased 25–30 percent.

State Governors' salaries are up 26.5 percent.

Salaries of statutory (General Schedule) employees have increased by 42.3 percent.

The static pay of officials in the Executive Salary Schedule and Justices and judges of the Federal judiciary in a period of explosive inflation cuts into the basic ability of the two branches to carry out their missions effectively.

THE EXECUTIVE BRANCH

Employees in the upper levels of the General Schedule and senior employees in other pay systems are not being paid salaries comparable with those outside Government because the salary rate of a subcabinet official in level V of the Executive Salary Schedule has placed a $36,000 ceiling on General Schedule pay. This ceiling has existed since January, 1971. As a consequence of this compression:

All level V, all GS–18, GS–17, 80 percent of GS–16, and four percent of GS–15 are receiving single salary rate of $36,000.

GS–18, which has not been increased since January 1971, is now $7,926 below "comparability".

If there is no increase before 1977 (the next adjustment date under the quadrennial procedure), compression will extend down to GS–14; GS–18 will be nearly $15,000 below "comparability".

The salary distinctions among employees in GS-15, 16, 17, and 18 have become virtually meaningless, and this condition will progressively penetrate into lower pay grades unless the ceiling salary is increased. In Cabinet and subcabinet levels I through IV, the responsibilities of the incumbents equal or exceed those of people with similar duties in the private sector, but the compensation of the Government officials is substantially lower. For example, the Chief Forester of the United States, in level V which pays $36,000, will be responsible for expenditures in fiscal year 1975 of almost three quarters of a billion dollars. The top executives of private companies of similar size earn $150,000 or more, plus bonuses and other benefits.

The Government risks losing many of its best career executives. By remaining in the Government, top GS employees are foregoing cost-of-living annuity increases, which raised annuities more than 10 percent last year. Unless their compensation is increased, many top career employees can substantially better themselves financially by retiring and accepting non-Government employment.

The turnover of employees in the top three grades has increased since 1970. This is attributable, in part, to salary compression coupled with cost-of-living increases in retirement annuities. Between 1970 and 1972, their retirements increased from 264 to 380, a rise of about 44 percent. Further, during the first 8 months of 1973, another 379 retired. If retirements during the last 4 months of the year were at the same rate as during the first 8 months, it is estimated that a total of about 570 supergrades retired during 1973, or more than twice the number of 1970.

Unless the compression logjam is broken, increasing numbers of career officials will be tempted to retire on upwardly adjusted annuities rather than wait four more years for a pay increase.

THE JUDICIAL BRANCH

The case for a pay increase is equally compelling in the judicial branch. Compression exists between the pay of judges and their top staff; and judges' pay, unchanged in five years, is clearly not in accord with a judge's heavy responsibilities.

The past few years have seen significant changes in the Federal judiciary. While cases have become more complex and more numerous, Federal judges, through the use of individual calendars, computeriza-

tion, and new management procedures, are disposing of cases more rapidly than ever before. Last year District Courts disposed of more cases than were filed, and the per-judge disposition of cases improved by 30 percent.

At the same time, the compensation of lawyers has increased rapidly. It is not unusual for a good trial lawyer to earn in excess of $100,000 a year, perhaps a lawyer pleading a case before a Circuit Court judge making $42,500 a year. Since 1967 when one Federal judge resigned, four additional judges, all in 1973, have announced their resignations. In the 15 years prior to 1967, only three Federal judges resigned. The Committee is advised that other judges, considering resignation, are waiting to see how the Congress disposes of the President's current pay recommendations. Recently, 12 different lawyers turned down feelers for a Federal judgeship.

Because of the importance of this issue to the Federal judiciary, the Committee solicited the views of the Chief Justice of the United States on the President's recommendations to the Congress. The Chief Justice's letter of response follows:

SUPREME COURT OF THE UNITED STATES,
CHAMBERS OF THE CHIEF JUSTICE,
Washington, D.C., February 25, 1974.

Hon. GALE S. MCGEE,
Chairman, Post Office and Civil Service Committee,
U.S. Senate, Washington, D.C.

DEAR SENATOR MCGEE: I have your letter of February 19 advising that, as Chairman of the Post Office and Civil Service Committee, you intend to oppose any action disapproving the President's proposal on salary increases for the Federal Judiciary and other categories and asking my views on this matter.

Although the recommendation departs substantially from the recommendations of the Commission on Executive, Legislative and Judicial salaries, my colleagues on this Court and I agree with your position that the President's proposal should be accepted. One of its important consequences will be to encourage judges in the District Courts and Courts of Appeals to remain in service even though the pending proposal is patently discriminatory against those judges when compared with approximately one-third increase in government salaries generally since the 1969 salary adjustment for Federal judges. Adoption of the President's proposal may help stem the resignations of District Judges in particular. We have had more resignations in the past year, based on economic grounds, than at any time in the past 100 years. I am also reliably informed that many qualified lawyers have declined appointment because the pay of a District Judge now is only double the starting salary of law graduates hired by large law offices. It is surely not in the public interest to have some of the best qualified lawyers resigning or declining appointment because of inequitable and inadequate compensation.

I feel bound to comment also on the increase provided for the Associate Justices of the Supreme Court which is limited to $4,500 and is deferred nearly one year. This increase of $4,500 is less than one-half the increase provided over three years for Courts of Appeals judges and Members of Congress.

Notwithstanding that the pending proposal fails to take into account the severe inflation of recent years and fails to give due weight to the studies and recommendations of the Commission, its adoption will serve as an important interim function until appropriate legislation can be enacted.

Cordially,

WARREN E. BURGER.

Retired Associate Justice of the Supreme Court Tom C. Clark also wrote to the Committee, discussing recent cases of judges who have chosen to step down from the bench for financial reasons.

His letter states: "In my judgment, we will lose a good percentage of our Judges unless some steps are taken to correct the situation by meaningful salary increases. I concur wholeheartedly in the letter that the Chief Justice is sending you today regarding this matter and write only to underscore the urgency of the problem."

Since a Federal judge must be a man of stature and probity, qualified professionally and temperamentally to serve in a position which ensures justice for all citizens, the Committee believes that his compensation ought to match the qualifications he brings to the discharge of his heavy responsibilities.

MEMBERS OF CONGRESS

There have been six Congressional pay increases since 1874—or an average of one increase every 17 years. Members now receive the same compensation as an incumbent of a level II official of the President's cabinet.

In recognition of prevailing economic conditions and as a reminder that some sacrifices should be made in inflationary times, the Committee believes that Members should forego the increases recommended.

COSTS

The pay increases recommended by the Committee would entail an increased cost to the Government of $6.1 million in fiscal year 1974, $31.9 million in fiscal year 1975, and $54 million in fiscal year 1976.

SENATE STAFF COMPENSATION

Generally, the salaries of Senate staff aides are subject to the orders of the President Pro Tempore issued pursuant to Presidential executive orders. Under Public Law 91-656, Senate staff salaries are now subject to the October 4, 1973 pay order of the Senate President Pro Tempore.

Under that order the salaries of Senate staff aides—other than 13 excepted positions—cannot be increased until either (1) a new President Pro Tempore order is issued pursuant to a Presidential executive branch pay increase expected in October 1974; or (2) the Executive Level V pay is increased to $39,000 or more (expected on January 1, 1975, under the President's pay recommendations now before the Congress). Under Public Law 91-656, the President Pro Tempore cannot issue any interim orders changing his order of October 4, 1973.

Therefore, the salaries of Senate staff aides cannot be increased above the $35,910 top level until one of the above two actions takes place.

THE COMMITTEE VOTE

The Committee's first vote was on an amendment sponsored by Senator Fong to a motion by Senator Jennings Randolph, to disapprove the Presidential recommendations entirely. Fong's first amendment proposed that Senators and Congressmen forego raises until 1975. The Committee vote on the amendment was: Yea—Senators Moss, Fong, Stevens and McGee. Nay—Senators Randolph, Burdick, Hollings, Bellmon and Dole.

The second amendment, also by Senator Fong, proposed to delay all scheduled executive, legislative and judicial salary increases until 1975. The Committee vote on the amendment was: Yea—Senators Moss, Fong, Stevens and McGee. Nay—Senators Randolph, Burdick, Hollings, Bellmon and Dole.

The vote on the successful Fong amendment, disapproving only Congressional pay raises for the full term of the recommendation was: Yea—Senators Moss, Hollings, Fong, Stevens, Bellmon and McGee. Nay—Senators Randolph, Burdick, and Dole.

The final vote to report the resolution was: Yea—Senators Moss, Hollings, Fong, Stevens, Bellmon and McGee. Nay—Senators Randolph, Burdick and Dole.

SUPPLEMENTAL VIEWS OF SENATOR RANDOLPH

To insure that my votes on Senate Resolution 293 are clearly understood, I reiterate my earnest opposition to pay increases for Members of Congress, Judges, and top officials of the Executive Branch, including the military, as proposed in the President's budget.

It is my conviction that this is not a time for Members of Congress and officials of Government who have leadership responsibilities of our Nation to receive pay raises. Foremost among this country's problems is the state of our economy. Citizens generally are confronted with an unusually acute inflationary spiral and in most instances they have not been able to cope with the skyrocketing increases in the cost of living. Until we reverse this situation, the salaries encompassed in the President's proposal should remain at present levels.

One approach to the issue of salary increases would be to combine a resolution of disapproval with legislation which would enable the Congress to consider this issue in 1975. This could be done through a simple amendment to The Federal Salary Act, P.L. 90–206, requiring the President to resubmit next year his recommendations on any part disapproved by the Congress and specifying that any recommendations disapproved in a given year shall be reconsidered by the Congress in the succeeding year. I suggested this approach but it was evident from the discussion in our committee that there was little sentiment for this course of action.

I then moved the adoption of S. Resolution 271 introduced by Senator Church, with my cosponsorship, to disapprove the entire salary proposal. My motion was subsequently amended and thus no direct vote was taken on it.

Votes listed in this report reflect my opposition to salary increases now.

I am in favor of disapproving Congressional pay raises. I am also opposed to pay increases for all others in high level positions in Government which Senate Resolution ——— would allow.

Raises at this time would have disastrous impact on the will of our citizenry to sacrifice in this time of crisis. It is my considered judgment that salary increases in 1974 would cause a further erosion of the people's confidence in our national legislative body. I do not advocate retreat. I plead for restraint.

JENNINGS RANDOLPH.

ADDITIONAL VIEWS OF MR. STEVENS

While I feel that the issue which the Senate will face is embodied in the resolution which seeks to totally disapprove the recommendations before us under the Salary Act of 1967, because of the action of the Post Office and Civil Service Committee, I will address here, primarily the issue of the increase recommended for Congress.

These recommendations are interdependent—to approve one portion of them would create such an imbalance in the federal government that even more disincentive would be built into the pay schedules. Furthermore, as I will develop more fully on the Floor of the Senate, the compensation for members of Congress is more than salary, it is compensation for the total expenses incurred by a member of Congress which are not reimbursed. For instance, no per diem expense is provided a member of Congress while he is on travel status, except while on Committee business.

The action of the Post Office and Civil Service Committee with regard to various resolutions disallowing President Nixon's pay proposal should be applauded. The Committee's action is the responsible way to deal with the subjects of executive and judicial salary increases. In its action in these two areas, the Committee has agreed to the very modest and belated pay increase as proposed by the President. The Committee's action, once again, illustrates the leadership so often exhibited in the past by its members.

It was in the spirit of cooperation, and because I agreed wholeheartedly with two of the three provisions of the Committee's proposed resolution that I voted for reporting out the resolution. I felt a deep sense of responsibility not only to the past fine work of the Committee, but to the whole concept of the Committee system to see that the entire Senate could have the benefit of the Committee's preference in this matter.

However, I do take vigorous exception to the portion of the resolution dealing with the proposed Congressional pay raise.

It has long been felt that a logical and fair procedure should be developed to adjust the salaries of those individuals who govern the wealthiest and strongest nation of the world. The result was the Salary Act of 1967. This Act provides that compensation of the top officials in the three branches of government is subject to adjustment every fourth year. This period was temporarily extended from four to five years by the action of the President last fall. This adjustment would be arrived at by thorough study conducted by an impartial commission appointed by the President, the President of the Senate, Speaker of the House and the Chief Justice of the United States. The first commission was chaired by Frederic R. Kappel, former Chairman of the Board of Directors of the American Telephone and Telegraph Company. That Commission's recommendation was given to then President Lyndon Baines Johnson. As a result of its recommendations, President Johnson in his 1969 "Salary Reform" message stated:

> Congress, the Executive branch and the Federal judiciary are the vital nerve centers of government. Whoever mans them is involved in activities so momentous and far reaching that they touch the lives of all our citizens and indeed of people the world over. Our national interest demands and our national survival requires that America summon its best men and women to assume the power of decision and the responsibilities of leadership for government in action. Central to this concern is the matter of compensation at top echelons of government. Today the salaries we pay our top officials are clearly inadequate.

The President went on to point out his agreement with the Kappel Commission report which recommended that "Congress pay should be set at $50,000" per year. Adding that, "If I alone had the power to put its recommendation into effect, I would do so." However, the President recommended the lower figure of $42,500 because he was informed by Congressional leaders that the lower figure was "more likely to receive the necessary support" for passage through the legislature. In other words, the President bowed to the habitual practice of Congress to put a salary increase for its "own numbers last in line." The result is that members of Congress received a salary increase of $7,500 less than what the President and the Commission comprised of eminent Americans felt was fair, just and equitable. Today that figure of $42,500 is $22,700 short of being fair, just and adequate, for if the $50,000 salary recommended for members of Congress by the First Commission on Executive Legislative and Judicial salaries five years ago were to be increased to keep pace with the increased cost of living since 1969, it would today be $65,200 or $22,700 more than is being received right now. Even if the $42,500 salary actually put into effect for members of Congress were to be increased to keep up with the increase in the cost of living since 1969, the pay for the legislative branch would be $55,400 or almost $12,000 more than it is today. Expressed in another manner, in terms of 1969 dollars, the present salary for members of Congress is only $32,600. The salary increase the members of the legislative branch received five years ago has shrunk by some $9,900. Thus, we are now in a position of catch-up in terms of a fair, just and adequate salary for the members of a body that is essentially the Board of Directors for the largest and most prosperous and powerful government of the world. However, to quote from the current report of the Commission on Executive, Legislative and Judicial Salaries:

> This situation created by the necessity of salary catch-up for our highest Government officials is not new. It has existed throughout our history. From 1789 to 1954, when Congress acted on the recommendations of the first Commission with jurisdiction over judicial and congressional salaries, adjustments in compensation of Members of Congress and the Federal judges were made, on the average, once in every 20 years. Since 1954, this long period lag has been improved, but until we have a Commission charged with the responsibility for continuous review of the salaries of these officials, or at least biennial Commissions as the Report proposes, there will be a minimum four-year lag and, as in the present

instance, even this may be prolonged. The current situation is aggravated by the severe inflationary pressures which have occurred and the steady erosion of actual income which this has produced. The officials involved can never be made whole; the losses they have incurred by virtue of having received no increases whatever year after year during whatever period is involved—five years in this instance—is lost to them forever. And when salary adjustments are finally considered, they are of such magnitude that to an uninformed public they seem exorbitant, and to Members of the Congress in the sensitive position of coming up for election, the situation seems ominous. But the history of our Country demonstrates that reasoned and restrained action by the Congress has never resulted in adverse consequences at the polls.

If the President's current recommendations go into effect, 542 individuals will receive the Congressional salary increase from $42,500 to $45,700 (this includes the resident commissioner from Puerto Rico and the delegates from Guam, the Virgin Islands and the District of Columbia. It does *not* include the Speaker of the House, the representative of the President pro tempore, the Majority and Minority leaders of the Senate and House, since the pay of these six officers is adjusted by statute.) The increase of salary of $3,200 for the lawmakers of our nation will cost $1,734,400 on an annual basis. This increase, and the $3,400 increase for January 1975, would cost a total of $2,655,800 during fiscal year 1975. This is *less* than *1/1000 of one percent* of the President's fiscal year 1975 budget request.

There is great concern among many members of Congress today that should we increase our salary the public's opinion will fall below its current level. I feel the reverse is true. I cannot understand how we can expect the public to have a high opinion of a legislative branch when we don't have high enough opinion of ourselves and the job that we do to provide a fair, just and adequate salary. I doubt that there is a single member in the Senate who will disagree that we have failed to provide for the proper staffing necessary for us to carry on the business of the people. Even if we were to receive additional numbers of staff, I don't know where we could put them as we failed to adequately supply ourselves with the needed space in which to carry on the business of governing this nation. A first step toward re-establishing the high opinion that this legislative body deserves is to admit that we are not providing adequate salary for those members of the legislative branch who are not independently wealthy.

Members of Congress received their last pay raise in 1969 bringing them to the $42,500 level. Since Feb. 1969 to January 1974, the Consumer Price Index has increased *30.4 percent*—this without an additional pay increase.*

During the same period (Feb. 1969 to Jan. 1974) the salary increase for federal government employees (GS grades) rose 36.5 percent.

However, during the period between 1969 and 1973 the average hourly earnings in the private non-agricultural sector (which includes union jobs) increased 32.2 percent—this while earnings for members of Congress remained frozen at 1969 levels and the rate of inflation edged up at increasing levels.

*Source—Bureau of Labor Statistics, U.S. Department of Labor.

It is interesting to note the percentage increases in wages negotiated by collective bargaining agreements for 1,000 workers or more during the period of 1969–1973:

1969+8.2 percent
1970+11.9 percent
1971+11.6 percent
1972+7.3 percent
1973+5.3 percent

This represents an increase in salaries for union employees of just under 45 percent form 1969 to 1973—this while members of Congress maintained their salaries at 1969 levels. It is also interesting to note that as union salaries increased about 45 percent—part of this increase came during the period of economic stabilization—a time when salaries were hoped to be closely constrained.

The rate of substantial salary increase was not limited to just those who engaged in union jobs—indeed, the salaries of professional, administrative and technical personnel also zoomed up during the 1969 to 1973 period—and this does not even include the salary increases for executives of the nation's private corporations.

It is important to consider how the present economic conditions affect the purchasing power of the dollar and how a 1969 salary structure competes with the cost of living in 1973.

The cost of living in 1973 increased 8.8 percent, and the projections for 1974 are that it will again increase—by at least 8 percent to as much as 10 percent. Members of Congress, however, find themselves living on a salary structure geared to 1969—or a salary level geared to an economy of nearly a half decade ago.

Consider the purchase power of the dollar. Measured in 1967 dollars, the purchasing power of the dollar last year was 72 cents and some projections call for it to fall again this year. In other words, members of Congress find themselves trying to continue to meet the economic demands of 1974 with a reduced capability of nearly 25 percent.

In 1968 the Kappel Commission on executive salaries recommended that salaries for members of Congress should be increased to $50,000 to meet the then current economic situation—and that was five years ago.

This indication of price increases and the rise in the cost of living justifies a concomitant increase in salaries of members of Congress.

Further evidence of the logic of a reasonable increase in legislative salaries may be found by referring to the salary increases which have occurred on an annual basis in the private sector of the national economy. The Bureau of Labor Statistics August 16, 1973 release indicates that white collar occupations salary increases occurred at an annual percentage rate as follows:

1969–70	6.2
1970–71	6.6
1971–72	5.9
1972–73	5.4

Professional, administrative, and technical support increases occurred as follows:

1969–70	6.2
1970–71	6.7
1971–72	5.5
1972–73	5.4

The same release indicates that average salaries for selected white-collar occupations in private industry increased 5.4% during the year ended March 1973, according to preliminary data from the nationwide salary survey conducted by the Bureau of Labor Statistics. Increases averaged 5.5% for clerical jobs and 5.4% for professional, administrative, and technical occupations. During the same period, the Consumer Price Index advanced 4.7%.

Additional indications of the trend of private sector executive salary increases are evident by considering statistical information compiled by Business Week Magazine. Its May 5, 1973 issue shows that pay raises for top executives in 1972 more than matched the years 12.2% rise in corporate profits, which hit a record $52.6 billion. Total compensation, which includes bonuses, incentive payments, and profit sharing, increased 13.5% in 1972 compared to 9.3% in 1971. Salaries alone increased 10.1% in 1972 compared to 7% in 1971. Business Week states that the highest paid executive in 1972 earned $889,963. The May 15, 1972 issue of Forbes Magazine indicates that of the 774 chief executive officers whose companies rank high revenues, net profits, total assets and stock market value, 770 executives had total compensation in 1971 of over $48,000 with an overall range of $812,000 to $30,000. Six hundred and two executives earned in excess of $100,000 with the range of years served as chief executive going from one to 44 years.

Business Week indicates that the substantial increases registered by top corporate managers in 1972 apparently exceeded the limits of 5.5% on salaries and 0.7% on fringes that were imposed by Phase II by virtue of an aggregate limitation theory. Thereby, individual salary increases were permitted beyond the ceiling figures so long as the average increase for the employee group of which they are a part did not exceed the guidelines.

The August 18, 1973 issue of Business Week carried an article based on Labor Department statistics concluding that the men who head the nation's largest unions are generally paid as well as the executives of small and medium-sized corporations. In 1972, three labor leaders earned over $100,000 in salaries and other compensation, while 10 were paid $75,000 or more. In 36 major unions, 42 officers collected more than $50,000, and at least 23 others earned between $35,000 and $50,000. Fifty-seven top labor leaders earned in excess of $42,500, with salaries ranging from $42,951 to $131,481.

The June 1973 Report of the Commission on Executive, Legislative, and Judicial Salaries contains specific information regarding the percentage increases of pay raises throughout the public and private sector based on Bureau of Labor Statistics. Percentage changes in total compensation paid to top executives by industry from 1967–71 averaged 20.3%. Pay trends (below executive levels) for production and nonsupervisory workers during 1967–71 increased an average of 29.5%. Union hourly wage rates increased an average of 38.2%. Urban public teachers salaries increased an average of 31%. Urban firemen and policemen salaries increased an average of 36% and 35% respectively. School superintendents being paid in excess of $36,000 realized an average percentage increase of 31.4%. State Governors in all 50 states realized an average percentage increase of 20.9%. State government executives consisting of the top 5 administrative officials in 15 states increased an average of 24.1%. Presidents of universities

whose 1972 salary was $36,000 or more realized an average salary increase of 19.8%. City and county managers of jurisdictions ranging in population from 100,000 to 1 million or more realized an average salary increase of 22.5%. The average salaries of state employees increased an average of 28.9%.

The Commission's report indicates that since 1969, the date of the last pay raise for members of the Executive, Legislative, and Judicial branches, that inflation has been severe. The Consumer Price Index compiled by the Bureau of Labor Statistics has risen from 106.7 in January, 1969 to 127.7 in January 1973. During those years, consumer prices rose 20%. The Consumer Price Index as documented by the Bureau of Labor Statistics indicates that the index has gained significantly since 1969.

CONSUMER PRICE INDEX FOR URBAN WAGE EARNERS AND CLERICAL WORKERS, U.S. CITY AVERAGE

[1967=100]

Year	January	February	March	April	May	June	July	August	September	October	November	December	Average
Food at home:													
1969	105.3	105.2	105.5	106.2	106.7	108.5	109.5	110.1	110.1	109.4	110.2	112.0	108.2
1970	112.7	113.4	113.4	113.4	113.8	114.0	114.6	114.5	114.2	113.8	113.0	113.4	113.7
1971	113.4	113.9	115.1	116.1	116.3	117.4	118.1	118.1	116.9	116.6	116.7	118.2	116.4
1972	118.2	120.5	120.6	120.4	120.2	120.9	122.4	122.7	122.8	122.8	123.4	124.1	121.6
1973	127.2	130.1	134.2	136.4	137.6	139.9	140.9	151.3	149.2	148.7	150.1	151.5	141.4
1974	154.3												
Flour:													
1969	96.5	97.6	97.5	97.6	98.1	98.0	97.6	97.4	97.2	97.6	97.2	96.9	97.5
1970	97.8	98.0	98.9	99.8	99.0	99.0	98.9	99.3	99.5	99.3	99.6	99.7	99.0
1971	100.2	100.7	99.8	101.3	101.6	101.7	101.3	101.2	101.5	101.1	101.1	100.5	101.0
1972	100.8	100.9	100.8	100.4	100.2	90.4	99.2	99.2	99.4	100.0	101.5	103.1	100.4
1973	105.4	108.1	111.8	113.9	116.3	117.1	117.7	119.1	134.2	156.2	162.6	163.3	127.1
1974	163.5												
Meats:													
1969	104.2	104.6	104.7	106.5	108.4	113.8	115.7	115.9	117.0	116.0	115.2	115.4	111.4
1970	116.8	117.7	118.4	119.2	118.6	118.2	118.8	119.3	118.4	117.1	115.1	113.4	117.6
1971	112.9	113.5	115.6	115.7	115.6	117.0	117.6	118.4	118.8	118.3	118.2	119.1	116.7
1972	121.1	127.5	127.9	126.9	125.6	127.5	131.3	132.5	132.8	132.7	132.9	132.5	129.2
1973	137.7	145.2	153.0	156.1	155.9	156.7	157.8	180.0	180.8	172.7	169.2	167.6	161.1
1974	169.9												
Milk (fresh) grocery:													
1969	105.9	105.7	106.1	105.9	106.1	106.6	106.9	107.5	107.9	107.9	108.4	109.8	107.0
1970	110.8	110.9	111.4	111.2	111.2	111.0	111.2	111.2	112.0	112.4	112.8	112.7	111.6
1971	113.1	113.1	113.7	114.2	114.8	115.2	115.1	115.2	115.4	115.3	115.2	115.2	114.6
1972	115.7	116.4	116.9	116.9	116.8	116.3	116.0	115.6	115.7	115.8	116.3	117.0	116.3
1973	117.9	120.5	120.5	120.4	121.9	122.8	122.9	125.9	129.0	136.7	142.2	146.5	127.3
1974	147.8												

Approved For Release 2001/09/07 : CIA-RDP75B00380R000500130003-4

The wholesale price index as documented by the Bureau of Labor Statistics indicates that the index for wholesale commodities has also increased significantly.

WHOLESALE PRICE INDEX

[1967=100]

	Average	January	February	March	April	May	June	July	August	September	October	November	December
Farm products:													
1969	109.1	105.3	105.5	107.0	106.3	111.3	111.9	111.5	109.2	108.9	108.2	111.4	112.4
1970	111.0	112.9	114.0	114.6	111.6	111.3	111.6	113.4	108.5	112.1	107.8	106.9	107.1
1971	112.9	108.9	113.9	113.0	113.0	114.0	116.0	113.4	113.2	110.5	111.3	112.2	115.8
1972	125.0	117.8	120.7	119.7	119.1	122.2	124.0	128.0	128.2	128.6	125.5	128.8	137.5
1973	176.3	144.2	150.9	160.9	160.6	170.4	182.3	173.3	213.3	200.4	188.4	184.0	187.2
1974		202.6											
Fresh and dried fruits and vegetables:													
1969	110.0	111.0	108.6	111.9	106.4	126.0	112.1	103.0	105.4	102.0	99.8	123.4	110.6
1970	111.6	114.9	115.6	116.5	110.9	121.7	120.3	110.5	97.8	111.6	100.8	107.3	111.2
1971	120.1	115.7	118.3	125.3	120.8	127.5	136.1	109.3	115.9	103.6	115.8	127.1	126.3
1972	127.6	124.9	127.5	112.8	117.6	120.6	121.7	129.9	138.9	138.1	122.8	141.8	134.6
1973	168.1	151.2	146.9	158.5	176.0	186.0	197.5	187.8	162.2	149.0	162.1	168.2	171.6
1974		184.5											
Meats:													
1969	113.3	104.6	104.2	104.9	108.0	115.1	121.9	122.1	118.4	116.8	114.1	113.7	115.2
1970	115.1	118.7	118.3	120.8	119.1	116.4	118.3	120.7	116.3	113.9	109.9	106.5	102.0
1971	114.1	105.9	113.6	110.9	111.5	115.1	114.1	116.0	115.5	115.5	115.7	115.6	119.6
1972	128.5	124.2	129.5	124.8	121.3	125.9	131.1	134.4	131.4	129.7	128.7	124.7	135.7
1973	163.4	143.1	152.4	163.5	158.7	158.4	161.9	165.8	192.1	181.6	163.7	159.7	160.3
1974		177.8											
Dairy products:													
1969	108.2	106.7	106.8	107.0	107.8	108.6	108.9	109.1	109.1	109.7	107.2	107.7	109.9
1970	111.2	110.0	110.2	109.2	110.8	111.2	111.2	111.4	111.5	111.6	112.2	121.3	112.9
1971	115.4	112.8	112.3	115.0	115.5	116.2	116.1	116.2	115.4	115.4	116.4	116.3	117.4
1972	118.6	117.3	117.5	118.0	117.5	117.4	115.3	117.7	118.6	119.0	120.0	121.8	123.0
1973	131.1	123.8	124.0	126.8	127.2	126.5	127.5	127.1	131.3	137.2	139.6	139.9	142.3
1974		145.1											

The question of a salary increase for members of Congress has a very direct impact on the quality of leadership and management that the U.S. Government will attract.

If the Congress fails to provide reasonable and just compensation for its leaders and for the fine men and women who provide the backbone that keeps American Government running, we may soon find that the U.S. Government is without quality leadership and without the strong backbone to both direct and support the workload of government in this nation.

By keeping Congressional salaries frozen at 1969 levels and denying the members of our Congress the ability to keep pace with the economy we are running the risk of limiting leadership to only those who can afford it. To maintain the current salary level for members of Congress is to in fact to create a millionaires club—where only the wealthy can actually afford to serve their government.

Some members of Congress believe that a salary increase is unwarranted because they personally don't require any additional compensation—they may be right as many of the members of Congress have a net worth in excess of one million dollars. But many members of Congress are *not* millionaires and cannot afford to be unconcerned about the problem of finances. Further we must be concerned about the 10,000 federal employees who make up the working management arm of government. If Congress denies a salary increase to themselves, it also denies a needed salary increase to government employees who, unlike many members of the Senate, are not in the million dollar club, and are truly facing a difficult financial situation.

It is most important that we increase the salaries of members of Congress in order to make our pay scales reflect a competitive position with the private sector. If we fail to do this and promote government by the wealthy we will eliminate from government leadership the many fine men and women who may be interested in serving their country, but under present salary conditions simply cannot afford to.

Back in 1796 President George Washington warned Congress that inadequate salaries threatened to restrict high public offices only to the wealthy. Nearly 200 years later we are threatening to do just that.

The Congress should well heed our first President's words and ensure that Congress is an open forum which does not exclude those who may not be wealthy. Government must be competitive. A failure to increase salary levels threatens to sever the competitiveness that nourishes top talent and provides for a strong, healthy government.

TED STEVENS.

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